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**Subject:** CMR

Dear All

This has been reported on linked in today and over the weekend and kindly captured by Gina.

Interesting article, obviously raised quite a substantial second tranche of money. I thought the China bit may be interesting to note, plus expansion into the US market.

However what's written and what's been said to us by surgeons is completely different. In fact Cambridge surgeons who have been involved in this project only last week told us it is not ready and you really have nothing to worry about. On top of this they are preparing to buy another system from us!

But I do believe we need to be cautious. What I think we should do behind the scenes is develop a competition talk track around all the areas they mention, and train our people - most of which have not come across any competition in their time at ISI.

We should focus on design, (Sal said we looked at 4 arms and moved away - we should counter why), set up time, basic principles of robotic surgery/engineering, cost, wristed insts, etc.

Most of this we have I'm sure, but we do need to equip the sales force to be ready in a competitive selling environment, that they have not faced up till now.

Speak soon and best regards  
 Phil

Phil Bradshaw

Sent from my iPhone

Begin forwarded message:

CMR PRESS RELEASE <https://cmrsurgical.com/cmr-surgical-raises-100-million-series-b-financing/>

**Cambridge, UK, 4 June 2018 | Europe's largest medical device financing paves way to Versius® commercialisation.**

CMR Surgical Ltd, the British company developing a next-generation surgical robot, announces that it has closed a Series B funding round raising \$100 million from new investor, Zhejiang Silk Road Fund and existing investors Escala Capital Investments, LGT, Cambridge Innovation Capital and Watrium.

CMR Surgical will use the proceeds to prepare its Versius® system for planned commercialisation. Activities will include the completion of validation studies for regulatory approval processes in both Europe and the USA,

**Exhibit 13**

international expansion, and commercial scale-up in response to considerable industry interest in adoption of this new product.

Inspired by the human arm, the Versius system's compact size and dexterity means the system can be used across a wide range of minimal access procedures whilst retaining its portability. These are key attributes in delivering a system that can fit easily into hospital workflows, drive up utilisation and in turn help surgical robotics reach its full market potential for the benefits of patients around the world. The company is conducting preclinical trials, demonstrating the ability of its Versius system to perform upper gastrointestinal, gynaecological, colorectal and renal surgery. Versius represents a new paradigm in surgical experience for the industry, surgeons and patients.

With Versius, CMR Surgical is targeting the robot-assisted minimal access surgery market which, globally, is estimated to reach \$20 billion by 2025<sup>1</sup>.

**Martin Frost, Chief Executive Officer of CMR Surgical, commented:** *"CMR Surgical's rapid growth has given us the opportunity to develop a life-changing solution which we expect to change the take up of minimal access surgery worldwide. With these latest funds, we intend to start commercialising Versius in Europe, the USA and more broadly. The overwhelming financial backing from our existing and new investors, with strong participation from management and employees, demonstrates their enthusiasm and support for CMR Surgical's vision in making minimal access surgery available to all."*

The Series B financing was supported by Perella Weinberg Partners advising the Company and Arion Capital advising ZUIG, managers of the Zhejiang Silk Road Fund.

#### **UK BUSINESS WEEKLY:**

**Robotics pioneer clinches record \$100m funding as Chinese invest (Business Weekly- 04/06/2018)**

<https://www.businessweekly.co.uk/news/biomedtech/robotics-pioneer-clinches-record-100m-funding-chinese-invest>

Cambridge medical devices pioneer CMR Surgical, which is commercialising a new robotics arm to revolutionise keyhole surgery, has made history with a stunning \$100 million (£74m) Series B fundraising.

It is the largest ever private financing of a medical devices company in Europe. The \$100m comes from new investor the Zhejiang Silk Road Fund and existing investors Escala Capital Investments, LGT, Cambridge Innovation Capital and Watium.

CEO Martin Frost told Business Weekly the round was gamechanging on several fronts – not least because it “gives us a window on China, the world’s fastest growing market in this sector.”

Frost said the the robot-assisted minimal access surgery market globally was estimated to reach \$20 billion by 2025, presenting the company with “a massive opportunity.” He felt the fundraising and the potential CMR Surgical had created going forward was also a notable landmark for the Cambridge technology cluster, creating a long-awaited champion for the medical devices market.

“We believe the company is a real jewel in the crown of Cambridge and this country, through the progress we have made in such a relatively short space of time and the stunning potential for the business.

"We are taking on perceived world giants with genuine confidence and a fabulous product, which is far more versatile for surgeons, patients and hospitals than anything on the market or even on the horizon."

Frost said CMR Surgical would use the money to prepare its Versius® system for planned commercialisation. Activities will include the completion of validation studies for regulatory approval processes in both Europe and the US, international expansion, and commercial scale-up in response to considerable industry interest in adoption of this new product.

Inspired by the human arm, the Versius system's compact size and dexterity means the system can be used across a wide range of minimal access procedures whilst retaining its portability. These are key attributes in delivering a system that can fit easily into hospital workflows, drive up utilisation and in turn help surgical robotics reach its full market potential for the benefits of patients around the world. The company is conducting preclinical trials, demonstrating the ability of its Versius system to perform upper gastrointestinal, gynaecological, colorectal and renal surgery.

Frost said that Versius represents a new paradigm in surgical experience for the industry, surgeons and patients. He said: "CMR Surgical's rapid growth has given us the opportunity to develop a life-changing solution which we expect to change the take-up of minimal access surgery worldwide. "With these latest funds, we intend to start commercialising Versius in Europe, the USA and more broadly. The overwhelming financial backing from our existing and new investors, with strong participation from management and employees, demonstrates their enthusiasm and support for CMR Surgical's vision in making minimal access surgery available to all."

CMR Surgical has more than doubled in size in the past year. The company, incorporated four and a half years ago, now employs over 200 people and is developing a new 42,000 sq ft global headquarters on the outskirts of Cambridge to bring the talent from multiple hubs into one innovation hothouse.

CMR Surgical has played a canny game in the research & development build-up, placing prototype devices literally in the hands of surgeons around the world whose feedback has spurred refinements but been overwhelmingly positive: "This is what we have been waiting for," has been the consensus.

The highly compact and portable nature of the device, which Business Weekly has seen, will also prove a Godsend for hospitals where the current offerings are cumbersome and space-consuming.

"Versius will transform surgery for good and this is what we have always been all about," Frost told me. "There is a key difference between ambition and arrogance and we have kept close to the professionals during the early development process while keeping our feet on the ground. We are competing against global giants in this field so certainly cannot afford to be naive. We think we have struck a sensible balance and have a product that can do what the da Vinci surgical system can do but in a much more cost-effective way.

"Versius will also substantially improve the flow of operations through the operating theatre; it will improve surgeons' workflow to allow them to carry out more operations but save them time, energy and effort in the process. For a whole raft of reasons we are so proud that we will be part of a vastly improved ecosystem without hospitals and clinics where keyhole surgery is performed."

Frost says the portable nature and affordability of Versius compared to its rivals will help slash costs in the under-pressure NHS in the UK and in the US healthcare system – and also permit procedures to be carried out in many more territories around the globe, notably in less developed countries.

Encouragingly for the five business founders, the growing workforce and the surgeons and patients at the sharp end of the technology, Frost says there is plenty of headroom for ongoing innovation.

“Our first generation product is excellent but it most certainly won’t be the last,” he advises.

Twitter:

